

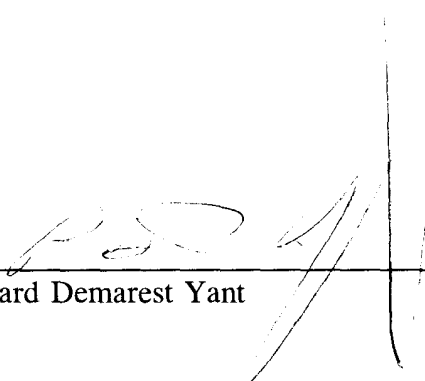
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10/10/95

CERTIFIED COPY

I, Richard Demarest Yant, the undersigned affiant, certify and affirm that I have compared the attached copy with the original and have found the copy to be complete and identical in all respects to the original document.


Richard Demarest Yant

STATE OF ILLINOIS)
) SS.
COUNTY OF C O O K)

The foregoing instrument was acknowledged before me this 31 day of October, 1995, by Richard Demarest Yant.


NOTARY PUBLIC



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**MEMORANDUM
OF
CHattel MORTGAGE, ASSIGNMENT AND SECURITY
AGREEMENT**

THIS MEMORANDUM OF CHATTEL MORTGAGE, ASSIGNMENT AND SECURITY AGREEMENT ("Memorandum") is intended to evidence the Chattel Mortgage, Assignment and Security Agreement dated as of September 29, 1995 (the "Chattel Mortgage"), between RESIDUAL BASED FINANCE CORPORATION ("Debtor"), having an address at Three First National Plaza, Suite 1240, Chicago, Illinois 60602, and SANWA BUSINESS CREDIT CORPORATION (The "Secured Party"), having an address at One South Wacker Drive, Chicago, Illinois 60606, for the purpose of satisfying the requirements of recordation with the Interstate Commerce Commission under 49 USC §11303. The Debtor is the owner of the railroad equipment, more fully described on Exhibit A hereto (the "Equipment"). Capitalized terms used herein and not otherwise defined shall have the meanings assigned to them in the Chattel Mortgage. The Chattel Mortgage includes the following grant:

As security for the payment and performance of the obligations under the Note and as security for Debtor's obligations under this Security Agreement, Debtor hereby (a) grants Secured Party a first priority security interest in and lien on (i) all of Debtor's rights in the Equipment described in Exhibit A attached hereto and made a part hereof and all proceeds of the Equipment, (ii) all of Debtor's rights in the Lease, including all rights, claims, and causes of action, if any, which Debtor may have against Lessee with respect to the Lease (excluding in each case, "Excluded Payments", as hereinafter defined), (iii) all of Debtor's rights in all books, records, reports and documents, in whatever form and wherever located to the extent they relate in any way to the Equipment, the Lease, including, without limitation, all maintenance records, plans, specifications, lease records and reports (the "Records") and (iv) all of Debtors rights in any and all extensions, renewals, replacements, accessions and additions to, substitutions for, products, rents, issues, profits and returns of or for any of the items described above, (b) assigns to Secured Party all monies due and to become due to Debtor under the Lease, and all of Debtor's rights but not obligations under said Lease, and all proceeds thereof, and (c) assigns to Secured Party all proceeds of the Lease, excepting and reserving to Debtor any and all amounts payable to Debtor in its capacity as owner of the Equipment pursuant to any tax indemnity provided for in the Lease or pursuant to any public liability insurance policy maintained under the Lease (the "Excluded Payments"). (The foregoing and all monies due and to become due and proceeds of any of the foregoing, excluding, however, the Excluded Payments, are herein collectively referred to as the "Collateral".) Notwithstanding the foregoing, upon foreclosure by Secured Party on the Debtor's rights under the Lease, the transfer of the Debtor's rights under the Lease shall include Lessor's rights under the Lease, the transfer of the Debtor's rights under the Lease shall include Lessor's rights as to the Excluded Payments.

"Lease" means Amended and Restated Lease of Railroad Equipment dated as of March 17, 1995, between Residual Based Finance Corporation and Bangor & Aroostook Railroad Company ("Lessee")

This Memorandum shall not be deemed to change the terms of the Chattel Mortgage, but is executed and recorded to evidence the Chattel Mortgage.

IN WITNESS WHEREOF, Debtor and Secured Party have each caused this Memorandum of Chattel Mortgage, Assignment and Security Agreement to be duly executed as of the date first above written, and the undersigned signatories each hereby declare pursuant to 28 U.S.C. §1746 under penalty of perjury that the foregoing is a true and correct document and was executed on the date indicated below its signature.

DEBTOR:

RESIDUAL BASED FINANCE CORPORATION

By: [Signature]
Its: President
Date: 9/29/95

SECURED PARTY:

SANWA BUSINESS CREDIT CORPORATION

By: [Signature]
Its: President
Date: September 29, 1995

STATE OF Illinois
COUNTY OF Cook

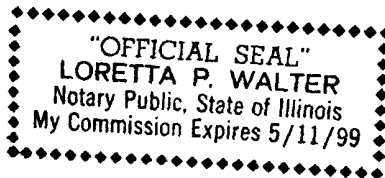
ss:

On this 29th day of September, 1995, before me personally appeared Vincent A. Kolben, to me personally known, who, being by me duly sworn, says that he is President of RESIDUAL BASED FINANCE CORPORATION, and that the foregoing Memorandum of Chattel Mortgage, Assignment and Security Agreement was signed on behalf of said corporation pursuant to corporate authority. Further, he acknowledged that the execution of the foregoing Memorandum of Lease Agreement was the free act and deed of said corporation.

Loretta P. Walter
Notary Public

[Notarial Seal]

My commission expires: 5-11-99



STATE OF ILLINOIS
COUNTY OF COOK

ss:

On this 29th day of SEPT., 1995, before me personally appeared ROBERT ALEXANDER KURLAND, to me personally known, who, being by me duly sworn, says that he is a VICE PRESIDENT of SANWA BUSINESS CREDIT CORPORATION, and that the foregoing Memorandum of Chattel Mortgage, Assignment and Security Agreement was signed on behalf of said corporation pursuant to corporate authority. Further, he acknowledged that the execution of the foregoing Memorandum of Lease Agreement was the free act and deed of said corporation.

Loretta P. Walter
Notary Public

[Notarial Seal]

My commission expires: 5-11-99

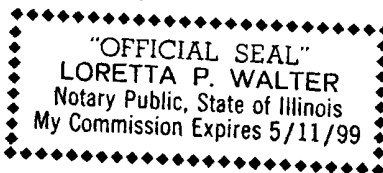


EXHIBIT A

DESCRIPTION OF EQUIPMENT

Description, Car Marks and Number of Equipment:

Description

74 (seventy-four) 70-ton plate C rigid boxcars having reporting marks as of the date of this agreement in series:
BAR 4600 through BAR 4690 inclusive.